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FOR IMMEDIATE RELEASE**

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**LAWYER, TITLE COMPANY OWNER, APPRAISER AND OTHERS
CONVICTED IN MORTGAGE FLIPPING SCHEME**

BALTIMORE, Maryland - Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced that following a six week trial, a federal jury returned guilty verdicts late last night on mail and wire fraud charges against David Allen Uhrich, age 53 of Vienna, Virginia; Kelly Johnston Chase, age 38, of Columbia, Maryland; and Fredric Leffler, of Howard County, Maryland. The charges arose from a property flipping scheme devised by Walter Hammond, age 48, of Davidsonville, Maryland. Hammond pled guilty two weeks into the trial. Two co-defendants, Christopher Francis, age 36, of Cape Coral, Florida and Joyce Lehew, age 72, of Selbyville, Delaware had previously pled guilty.

Trial evidence showed that from 1997 to early 2000, Hammond persuaded individuals to purchase properties in Baltimore City by applying for mortgage loans. Through these borrowers, Hammond acquired control of some 200 inner city properties. Of those 200 properties, 150 settlements closed at a title company in which Kelly Johnston had an interest, or at Performance Title which Kelly Johnston solely owned. Kelly Johnston caused her title companies to close settlements for Hammond without the borrower producing the necessary funds according to the

lenders' instructions. Fredric Leffler, the attorney for both title companies, helped Hammond overcome lender requirements that the seller have held title to property by six months or longer before the lender would make a mortgage loan. Christopher Francis testified at trial that he had inflated the values of properties he appraised on behalf of Hammond. Hammond paid David Allen Uhrich to recruit borrowers from the northern Virginia area to take part in Hammond's scheme.

In addition, the evidence showed that both Hammond and Uhrich lived in luxury homes during the scheme to defraud which were titled in the name of the same fictitious person. When the borrowers defaulted on the 200 mortgages, the lenders lost the value of their loan, and the properties could not be sold to cover the loan amount. Some lenders did not foreclose on their loans because the property would not support the costs of foreclosure. With respect to the 200 houses involved in the scheme, mortgage lenders suffered losses of \$4 million.

Since 2000, when the U.S. Attorney's Office began its efforts to combat property flipping and the devastating effects on the community of abandoned and derelict properties, the Office has prosecuted 95 defendants. 82 defendants have been convicted, 11 defendants' cases are pending, and 2 defendants have been acquitted.

The United States Attorney stated, " We are committed to deterring this kind of fraud that not only causes a financial loss to mortgage lenders, but exacts a terrible toll on the community as well. These abandoned properties contribute to the decline of Baltimore City neighborhoods."

The maximum penalties faced by the defendants for the mail and wire fraud offenses is 5 years and/or \$250,000 fine per count. Restitution can also be ordered. Sentencing is expected to take place this fall.

The criminal charges in this indictment are the result of a joint investigation by Federal Bureau of Investigation agent James J. Costigan and the United States Attorney's Office. The case was prosecuted by Assistant U.S. Attorneys Joyce K. McDonald and Stephen M. Schenning.

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